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SUBJECT: SENEGAL IS ON ITS WAY TO IMPROVE ITS AGOA TEXTILE
LEGISLATION

11. Summary: On December 21 2009, Minister of Trade Amadou Niang chaired a meeting to finalize amendments to a decree governing the issuance by the Customs Office of an approval stamp that allows textile products to be shipped from Senegal to the United States under the aegis of the African Growth and Opportunity Act (AGOA). The Minister underlined that, after 9 years, Senegal still continues to lag in its ability to reap the full benefits of this trade opportunity. He averred that Senegal has the capacity to make AGOA a success, especially in textiles, but that opaque, outdated, and poorly drafted legal texts are major obstacles. End Summary.

12. The Government of Senegal has often been blamed for failing to benefit from AGOA because it has yet to promote it vigorously enough. As a result, President Abdoulaye Wade stated that AGOA will be made a priority and, as a first step, the government decided to change its legislation to make it more conducive for Senegalese entrepreneurs wanting to export to the US. The regulatory provisions to export textiles and apparel are governed by Decree No 2002-73 of 03 March 2002. This decree outlines all dispositions to establish the necessary legal and institutional basis for exporting textiles through AGOA. The problem with the decree is that, at the time, the drafters took a shortcut choosing to translate the United States's AGOA textile legislation (Textile Visa and Category 9) instead of drafting a new document. Additionally, many of the portions were mistranslated. Thus, a new decree is now needed to improve and clarify some of the specific provisions that were not addressed in the original one.

13. The meeting, which was the culmination of several others, brought together a variety of stakeholders to include the Embassy, the West African Trade Hub (WATH), the Senegalese Export Administration (ASEPEX), Customs, and Ministry of Trade officials and local businesses already exporting to the U.S. under AGOA. All were invited to assist and contribute in the formulation of the new decree. Minister Niang personally invited Mission personnel to attend. WATH, who were represented by Senegal WATH Director Makhtar Thiam and WATH's Ghana Support Service Coordinator Abdou Fall, were key in correcting mistakes in the old decree and proposing amendments to the new draft.

14. The new draft, which has been completed and which will be presented for approval at the next meeting of the Council of Ministers, has been simplified and procedures have been shortened. For example: beforehand, a multiplicity of agencies was involved in the issuance of the aforementioned export stamp but the new legislation envisages a "one-stop shop" at ASEPEX, which will work with Customs to facilitate exports. ASEPEX will be in charge of helping exporters prepare the necessary paperwork and Customs will be in charge of delivering the stamp. Additionally, a provision to curb fraud, especially when declaring what materials go into a given product, has been added.

Comment

15. Working on more conducive legislation to promote exports to the U.S. via AGOA is definitely a step in the right direction, but there is still a long way to go. While this decree narrowly focuses on amending regulations concerning the issuance of a stamp to export textiles products, the Minister said that the government is aware that it needs to revise all legislation covering the slew of products that can be exported to the U.S. under AGOA. However, if Senegal is going to seriously penetrate the American market, there need to be increased efforts by the government to build up export capacity. Even though the textile sector remains one of the main targets of Senegal's Accelerated Growth Strategy, to date no serious actions had been taken to promote textile trade. End Comment.
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